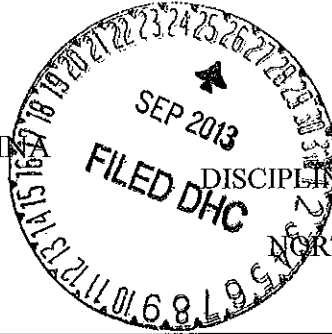


STATE OF NORTH CAROLINA

WAKE COUNTY



BEFORE THE  
DISCIPLINARY HEARING COMMISSION  
OF THE  
NORTH CAROLINA STATE BAR  
13 DHC 25

THE NORTH CAROLINA STATE BAR,

Plaintiff

v.

WILLIAM T. BATCHELOR, II, Attorney,

Defendant

COMPLAINT

Plaintiff, complaining of Defendant, alleges and says:

1. Plaintiff, the North Carolina State Bar ("State Bar"), is a body duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).

2. Defendant, William T. Batchelor, II, ("Batchelor" or "Defendant"), was admitted to the North Carolina State Bar on March 21, 1986, and is, and was at all times referred to herein, an attorney at law licensed to practice in North Carolina, subject to the laws of the State of North Carolina, the Rules and Regulations of the North Carolina State Bar and the Rules of Professional Conduct.

Upon information and belief:

3. During all or part of the relevant periods referred to herein, Batchelor was engaged in the practice of law in the State of North Carolina and maintained a law office in Wilmington, New Hanover County, North Carolina.

**FIRST CLAIM FOR RELIEF**

4. Between January 1, 2007 and June 30, 2010, Defendant had two trust accounts associated with his law practice: an account with Branch Banking & Trust Bank, account number ending in the digits 3231 ("TA 3231"), and an account with RBC Bank, account number ending in the digits 3840 ("TA 3840").

5. In and before August 2009, Defendant maintained BB&T TA 3231. Defendant opened RBC TA 3840 in or about August 2009 but did not close BB&T TA 3231. Defendant took \$1,000.00 from BB&T TA 3231 and transferred that amount to

open RBC TA 3840. Defendant did not identify the owner(s) of the \$1,000.00 he moved from BB&T TA 3231 to RBC TA 3840.

6. An examination of deposit slips for RBC TA 3840 shows that Defendant failed to identify the source and the name of the client or other person to whom the funds belonged for numerous cash deposits to RBC TA 3840.

7. During the period January 1, 2007 through June 30, 2010, Defendant's practice was to collect a flat expense charge from clients to cover costs for mail, postage, paper and printer cartridges ("expense charge"). The expense charge collected to cover these costs was either \$16.00 or \$25.00, depending on the case, and the money collected from the client was deposited into the trust account Defendant was using at the time.

8. The flat expense charge referenced in paragraph 7 was collected from clients irrespective of the actual costs Defendant incurred handling an individual client's case.

9. Between January 1, 2007 and June 30, 2010, Defendant used BB&T TA 3231 checks to disburse funds from BB&T TA 3231 to suppliers for office supplies, expenses and equipment. These checks were written directly to the suppliers and not to Defendant. The following checks were disbursed from BB&T TA 3231 to the listed vendor on the date and in the amount indicated.

Date	Vendor	Check No.	Amount
3/15/07	Carolina Printing	12184	48.04
3/23/07	Cartridge World	12192	122.78
4/17/07	Carolina Printing	12215	77.93
5/10/07	Carolina Printing	12239	64.05
5/29/07	Cartridge World	12250	122.76
8/13/07	Carolina Printing	12306	63.90
8/31/07	Cartridge World	12315	122.76
9/27/07	Carolina Printing	12333	38.43
10/12/07	Cartridge World	12346	122.76
12/20/07	Cartridge World	12387	122.76
2/7/08	Cartridge World	12410	243.38
2/26/08	Carolina Printing	12448	85.40
3/3/08	Cartridge World	12460	20.82
3/18/08	Cartridge World	12475	58.18
4/9/08	Cartridge World	12497	20.82
4/29/08	Cartridge World	12514	20.82
6/30/08	Cartridge World	12565	122.76
10/22/08	Cartridge World	12619	122.76
1/12/09	Cartridge World	12654	122.76
2/27/09	Cartridge World	12687	69.39
3/3/09	Carolina Printing	12692	35.23
3/17/09	Cartridge World	12698	37.36
3/17/09	Carolina Printing	12699	64.05
5/28/09	Cartridge World	12746	37.36

7/21/09	Cartridge World	12769	37.36
8/5/09	Cartridge World	12771	85.40

10. Between August 1, 2009 and June 30, 2010, Defendant used a trust account check card to disburse funds from RBC TA 3840 to suppliers of office supplies and equipment. These check card disbursements were made directly to the suppliers.

11. The following check card transactions were disbursed from RBC TA 3840 to the listed vendor on the date and in the amount indicated.

Date	Transaction	Amount	Vendor
8/24/09	Check Card Purchase	171.81	Office Max
10/1/09	Check Card Purchase	150.79	Office Max
10/26/09	Check Card Purchase	133.53	Office Max
10/26/09	Check Card Purchase	13.45	Office Max
10/28/09	Check Card Purchase	13.45	Office Max
11/16/09	Check Card Purchase	192.47	Office Max
12/31/09	Check Card Purchase	161.60	Office Max
1/28/10	Check Card Purchase	108.62	Office Max
1/29/10	Check Card Purchase	16.57	Office Max
2/24/10	Check Card Purchase	34.77	Office Max
2/25/10	Check Card Purchase	25.84	Office Max
2/26/10	Check Card Purchase	7.53	Office Max
3/1/10	Check Card Purchase	5.38	Office Max
3/12/10	Check Card Purchase	81.20	Office Max
3/12/10	Check Card Purchase	25.84	Office Max
3/15/10	Check Card Purchase	9.28	Office Max
3/22/10	Check Card Purchase	5.38	Office Max
4/21/10	Check Card Purchase	169.08	Office Max
5/13/10	Check Card Purchase	123.61	Office Max
5/17/10	Check Card Purchase	157.35	Office Max

12. When Defendant disbursed trust account funds by check or check card to vendors for office supplies, expenses or equipment as indicated in paragraphs 9 and 11 above, he would arbitrarily apportion the costs amongst clients with expense charge balances in Defendant's trust account as shown on client cards.

13. The following checks drawn on BB&T TA 3231 and made payable directly to suppliers failed to indicate on the check the client funds against which they were drawn.

Date	Vendor	Check No.	Amount
2/7/08	Cartridge World	12410	243.38
2/26/08	Carolina Printing	12448	85.40

14. Between January 1, 2007 and June 30, 2010, Defendant failed to conduct monthly reconciliations of the balance of BB&T TA 3231 as shown on his records with the current bank statement balance for BB&T TA 3231.

15. Between January 1, 2007 and June 30, 2010, Defendant failed to conduct quarterly reconciliations of the individual client balances shown on the ledger for BB&T TA 3231 with the current bank statement balance for BB&T TA 3231.

16. Between August 1, 2009 and June 30, 2010, Defendant failed to conduct monthly reconciliations of the balance of RBC TA 3840 as shown on his records with the current bank statement balance for RBC TA 3840.

17. Between August 1, 2009 and June 30, 2010, Defendant failed to conduct quarterly reconciliations of the individual client balances shown on the ledger for RBC TA 3840 with the current bank statement balance for RBC TA 3840.

18. BB&T TA 3231 still has a balance in excess of \$400.00, the owner(s) of which Defendant cannot identify.

THEREFORE, Plaintiff alleges that Defendant's foregoing actions constitute grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(b)(2) in that Defendant violated the Rules of Professional Conduct in effect at the time of the conduct as follows:

- a) By opening RBC TA 3840 in August 2009 with the transfer of \$1,000.00 from his then existing BB&T TA 3231 without identifying the client(s) for whom the entrusted funds were being held, Defendant failed to properly identify entrusted funds in violation of Rule 1.15-2(a) and Rule 1.15-3(b)(1);
- b) By failing to list the source of cash deposited into RBC TA 3840 and the name of the client or other person to whom the funds belong on deposit slips containing cash deposits to RBC TA 3840, Defendant failed to properly identify entrusted funds in violation of Rule 1.15-2(a) and Rule 1.15-3(b)(1);
- c) By charging clients a flat expense charge of either \$16.00 or \$25.00, depending on the case, irrespective of the actual costs Defendant incurred in handling an individual client's case, Defendant charged and collected a clearly excessive amount for expenses in violation of Rule 1.5(a);
- d) By paying for office supplies, expenses, and equipment out of BB&T TA 3231 with checks made payable to the vendors of those supplies, Defendant failed to make items drawn on BB&T TA 3231 for payment of his expenses payable to himself in violation of Rule 1.15-2(h);
- e) By paying for office supplies, expenses, and equipment out of RBC TA 3840 with a check card payable directly to the vendors of those supplies,

Defendant failed to make items drawn on RBC TA 3840 for payment of his expenses payable to himself in violation of Rule 1.15-2(h);

- f) By failing to conduct monthly reconciliations of the balance of Defendant's trust accounts as shown on Defendant's records with the monthly bank statement balance for his trust accounts, Defendant failed to conduct requisite reconciliations of his trust accounts in violation of Rule 1.15-3(d)(2);
- g) By failing to reconcile the individual client balances shown on the ledger of Defendant's general trust accounts with the current bank statement for Defendant's trust accounts on a quarterly basis, Defendant failed to conduct requisite reconciliations of his trust accounts in violation of Rule 1.15-3(d)(1);
- h) By having mismanaged entrusted funds to the point that Defendant is unable to identify the client(s) to whom the funds remaining in BB&T TA 3231 belong(s), Defendant has failed to identify entrusted funds in violation of Rule 1.15-2(a);
- i) By paying for office supplies, expenses, and equipment out of BB&T TA 3231 with checks made payable to the vendors without identifying on the checks the client balance against which the item was drawn, Defendant disbursed funds without showing on the check the client balance against which the item was drawn in violation of Rule 1.15-3(b)(2); and
- j) By collecting a standard expense charge from clients and depositing those funds in his trust account, Defendant failed to hold and maintain entrusted property separate from the property of Defendant in violation of Rule 1.15-2(a) and Rule 1.15-2(f).

WHEREFORE, Plaintiff prays that:

(1) Disciplinary action be taken against Defendant in accordance with N.C. Gen. Stat. § 84-28(a) and § .0114 of the Discipline and Disability Rules of the North Carolina State Bar (27 N.C.A.C. 1B § .0114), as the evidence on hearing may warrant;

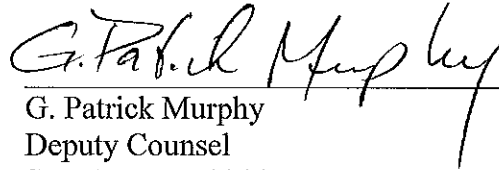
(2) Defendant be taxed with the administrative fees and costs permitted by law in connection with this proceeding; and

(3) For such other and further relief as is appropriate.

The 26<sup>th</sup> day of September, 2013.



Margaret M. Hunt, Chair  
Grievance Committee



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Deputy Counsel  
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The North Carolina State Bar  
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